

## **808 KAR 11:020. Procedures.**

RELATES TO: KRS 286.3-095, 286.3-905

STATUTORY AUTHORITY: KRS 286.3-020

NECESSITY, FUNCTION, AND CONFORMITY: KRS 286.3-095 and 286.3-905 set forth the statutory procedures for filing applications by a bank holding company or individual to acquire control of a state-chartered bank or bank holding company which includes a state-chartered bank when either a state-chartered bank or a bank holding company which includes a state-chartered bank is involved in the transaction; the setting of filing and examination fees; and the examination of any holding company that controls a state-chartered bank. This administrative regulation is to insure uniformity in the procedures to be used in the application and examination processes.

Section 1. (1) The provisions of KRS 286.3-095(1) and (2) are not applicable to transactions involving applications filed with the Federal Reserve Board for prior approval to become a one-bank holding company. The application process for prior approval to become a one-bank holding company is regulated by the Federal Reserve Board and such transactions are not subject to KRS 286.3-905.

(2)(a) Applications by a bank holding company to acquire control of a state-chartered bank or to acquire control of a bank holding company which controls a state-chartered bank; and

(b) Applications by a bank holding company which controls a state-chartered bank to acquire control of a national bank or bank holding company which controls a national bank; and

(c) Applications by a bank holding company which controls a state-chartered bank to acquire control of a bank or bank holding company not having its principal place of business in this state; and

(d) Applications by a bank holding company not having its principal place of business in this state to acquire control of a state-chartered bank or bank holding company which includes a state-chartered bank, are subject to KRS 286.3-905.

(3) Whenever a proposed change occurs in the outstanding voting stock of a state-chartered bank which is subject to KRS 286.3-095 or 286.3-905, in those cases where a bank holding company application or change of control notice is required by federal regulatory agencies, the concurrent filing of a copy of the application or notice submitted to the federal regulatory agency with the executive director would fulfill the notice requirement of KRS 286.3-095 or 286.3-905. Notice is required to be filed with the commissioner in all cases where the change in ownership of voting stock would result in direct or indirect ownership by a stockholder or an affiliated group of stockholders of ten (10) percent or more of the outstanding voting stock of the bank. The filing of notice with the commissioner on forms used by federal regulatory agencies shall be treated as confidential information by the commissioner as provided by federal law.

(4) The original document and four (4) copies of the bank holding company application shall be filed with the executive director concurrently with the application filed with the Federal Reserve Board and shall be on the same application form used by the Federal Reserve Board. All subsequent information furnished by the applicant to the Federal Reserve Board shall be concurrently filed with the office.

(5) A complete application is one which includes all information necessary for the executive director to make a decision to approve or disapprove the application and has been accepted for processing by the Federal Reserve Board.

Section 2. Filing Fee. Each application shall include a nonrefundable investigation fee of \$2,500. The fee assessed by the executive director shall be paid prior to approval of the application by the commissioner.

Section 3. Examination Fees. If the executive director examines or elects to participate in a joint examination with the applicable federal regulatory agency of any holding company that controls a state-chartered bank, the examination fee assessed against the company examined shall be based upon fair compensation for time and actual expenses.

Section 4. Publication of Notice. Publication of notice of intention of a bank holding company to acquire control of a state-chartered bank or to acquire control of a bank holding company which controls a state-chartered bank shall be the responsibility of the applicant pursuant to Regulation Y issued by the Federal Reserve Board (12 C.F.R. 225, as revised effective February 3, 1984).

Section 5. Hearings. The office shall not hold hearings on any application or notice. Hearings, if any, shall be conducted by the Federal Reserve Board in accordance with Regulation Y issued by the Federal Reserve Board (12 C.F.R. 225, as revised effective February 3, 1984) or by the appropriate federal banking agency pursuant to the federal Bank Change in Control Act of 1978, as amended (12 U.S.C. 1817(j)).

Section 6. Nonbank Activities and Acquisitions. Nonbank activities and acquisitions for bank holding companies are regulated by the Federal Reserve Board in accordance with Regulation Y issued by the Federal Reserve Board (12 C.F.R. 225, as revised effective February 3, 1984).

Section 7. Coordination with Federal Reserve Board. The executive director shall coordinate the application process for acquisition of control of state-chartered banks and bank holding companies which control a state-chartered bank with the Federal Reserve Board to insure that no unreasonable delays occur in the approval process. (10 Ky.R. 1224; eff. 6-28-84; Am. 12 Ky.R. 46; eff. 8-13-85; 1169; eff. 2-4-86; TAm eff. 5-2-2007.)